

NYISO Consumer Interest Liaison Weekly Summary

July 17 – July 21, 2017

Notices:

- Additional incremental [Redline](#) and [Clean](#) versions of the NYISO Transmission Congestion Contracts Manual (M-03), have been posted to the [NYISO Manuals & Guides webpage](#) under the 'Manuals>Under Review' folder. All proposed changes will be presented at the BIC meeting scheduled for July 24, 2017
- Please use the link below to access the NYISO's stakeholder summary for the upcoming week. [Stakeholder Summary](#)

Meeting Summaries:

Wednesday, July 19, 2017

Market Issues Working Group

NYISO Password Management Updates

Brian Davis of the NYISO presented updates to the management of passwords for NYISO's Market Information System (MIS). Mr. Davis explained that the NYISO will implement changes to the current password rules to provide improved MIS account security to Market Participants. This effort is part of the NYISO's continuous commitment to provide the best defense against cyber security threats and align with NIST 800-63B Section 5.1 of the National Institute of Standards and Technology. The key changes to MIS passwords will consist of:

- Increasing the password minimum number of characters to 12
- Allowing Passwords to be up to 64 characters in length
- Checking Passwords against commonly used, expected or compromised values
 - Will not require special characters, numbers or upper case/lower case combinations
- Evaluating the implementation of a maximum number of login attempts and lock MIS user accounts if exceeded

Mr. Davis noted that the system will not expire MIS user passwords, therefore passwords will not expire and the NYISO is not currently recommending a requirement to force password expiration. The changes are anticipated for late 2017. The NYISO recommends that all MIS Users update their MIS passwords after the changes are complete. To see Mr. Davis' complete presentation, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-07-19/07192017%20MWIG%20Password%20Storage%20Presentation.pdf

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Fuel Cost Adjustments and Min Oil Burn Compensation Program: Market Services Tariff Updates

Nicholas Shelton of the NYISO presented proposed revisions to the tariff to update Fuel Cost Adjustments (FCAs) and the Minimum Oil Burn (Min Oil Burn) compensation program. The NYISO has developed the software capability to efficiently re-run the Real-Time Market (RT) and, therefore, can better align the RT FCA impact test and penalty calculation with the more precise Day-Ahead Market (DAM) impact test and penalty calculation. Mr. Shelton provided background for the 7-Day Bias Test and explained the NYISO proposal for improving the process. The proposed revisions include:

- *Instead of reviewing FCAs submitted over the prior seven days, review all of a generator's FCA submittals over the previous 90 days as long as FCAs were submitted for at least 100 hours*
- *Rather than using a 10% threshold to identify bias, use the greater of 10% or \$0.50/MMBtu*
- *Allow the Market Party an opportunity to demonstrate to the NYISO and MMU that the FCAs were consistent with competitive behavior even when the difference between the FCA and the actual fuel cost exceeds the proposed threshold*

There are also proposed updates to the Min Oil Burn program. The NYISO will clarify the information that must be submitted for a market participant to receive accurate compensation, for example, Market Participants must submit updated tax rates. NYISO will continue using index prices for commodity costs and emission allowance costs. Revisions will be made to the Market Services Tariff Section 23.4.3.3.3 to remove New York State Reliability Council (NYSRC) numeric rule designation, and the Market Monitoring and Analysis team will use the most up-to-date data in its possession to calculate the payments for the Min Oil Burn program. Following a review of feedback received at and after the presentation to the MIWG, the NYISO will present tariff revisions for review and discussion with stakeholders at an August MIWG in anticipation of a September 2017 BIC vote on the revisions. To see Mr. Shelton's complete presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-07-19/MIWG%20-%207_19_17%20-%20FCA%20Penalty%20Calc%20_%20MOB%20\(2\).pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-07-19/MIWG%20-%207_19_17%20-%20FCA%20Penalty%20Calc%20_%20MOB%20(2).pdf)

Energy Storage Integration – Scheduling Logic

Daniel Noriega of the NYISO presented updates to the proposal to integrate energy storage into the NYISO markets. Mr. Noriega explained that there are two tracks for this effort:

- *Track 1 -- Energy Storage Integration*
 - *Develop the participation model for Energy Storage Resources (“ESRs”)*
- *Track 2 -- Energy Storage Optimization*
 - *Develop the optimization methodology for storage resources.*
 - *During this phase, the NYISO intends to make an enhanced Energy level management available to storage resources.*

The structure of Real-Time Market (RT) offers will allow ESRs to leverage withdrawing and injecting capabilities on a sub-hourly basis. Several proposed offer parameters intended to capture ESRs' operational characteristics were listed and defined for discussion with stakeholders. Additional potential parameters which pertain to Track 2 of the market design were provided for discussion. The NYISO is encouraging input from current stakeholders and potential ESRs to assist in developing a full set of parameters. While presenting the proposed eligibility criteria, Mr. Noriega explained that this proposal is aimed at resources 1MWh and larger, as ESRs with a minimum energy storage capability of less than 1 MWh will be considered in the DER Roadmap effort. Other areas presented for discussion include:

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- *Constrained Energy Level Scheduling*
- *Proposed considerations for commitment decisions*
- *Energy level in RT – options for managing the ESR’s energy level*
- *Charging and Discharging rates*
 - *Max and Min Discharge Rates (UOL v Min Gen)*
 - *Max and Min load*
 - *Potential for difference in charging and discharging rates*
 -

Examples were provided to illustrate bid parameter functionality.

The NYISO intends to discuss the DA scheduling and settlements logic with Stakeholders in August 2017 and will continue to explore operational enhancements that may improve the integration of storage resources. Comments can be sent to dnoriega@nyiso.com. To see Mr. Noriega’s complete presentation, please go to:

[http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-07-19/Energy%20Storage%20I-O%20\(MIWG%2017%2007%2019\).pdf](http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_miwg/meeting_materials/2017-07-19/Energy%20Storage%20I-O%20(MIWG%2017%2007%2019).pdf)

Thursday, July 20, 2017

Electric System Planning Working Group

Western NY Public Policy Transmission Report

Dawei Fan of the NYISO presented the results of the draft Western New York Public Policy Report (Report). Mr. Fan explained that the purpose of the presentation was to review the Report with stakeholders, to clarify questions, and to obtain feedback prior to making a selection recommendation. An overview of the process was provided, beginning with the issuance of an order identifying the Western New York Public Policy Transmission Need (Western PPTN) on July 20, 2015. Mr. Fan led a review of the proposed solutions that were determined to be Viable and Sufficient as solutions for the Western PPTN. The results for the comparative evaluation were described in detail with descriptions of the assumptions used for all scenarios, and a summary of the relative performance of each project for each metric was provided. NYISO staff will rank the solutions and recommend a project for selection as the more efficient or cost effective solution to satisfy the Western NY PPTN based upon the results as presented in the Report, which will be finalized after review and discussion with the ESPWG and the TPAS members. Comments are encouraged and can be sent to PublicPolicyPlanningMailbox@nyiso.com by no later than close of business July 25, 2017. There will be another presentation of the draft report results to the July 27, 2017 ESPWG/TPAS prior to BIC and MC advisory voting. To see the complete presentation and associated materials, please go to: http://www.nyiso.com/public/webdocs/markets_operations/committees/bic_espwg/meeting_materials/2017-07-20/WNY_July_20_ESPWG_Final.pdf

Friday, July 21, 2017

Joint Transmission Planning Advisory Subcommittee/Interconnection Issues Task

Force/Installed Capacity Working Group/Market Issues Working Group

Comprehensive Interconnection Process Improvements

Thinh Nguyen of the NYISO presented updates to the interconnection process improvements proposal. The NYISO has made several presentations on the queue reform issues and has made revisions to five remaining issues:

- Issue 2 - Expedited Study Agreement Processing
- Issue 4 - Roles & Responsibilities of Parties in the Interconnection Study Process
- Issue 9 - Bifurcated Class Year

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- Issue 19b - Winter CRIS Determinations
- Issue 26 - Incremental TCCs for SDUs

The NYISO provided updated tariff language for Issues 2 and 4 and is taking feedback on that language for a full discussion with stakeholders at the upcoming August 1, 2017 joint TPAS/IITF meeting. Mr. Nguyen detailed the changes to the remaining issues while noting feedback. A timetable was provided for the remainder of the queue improvement process with an anticipation of filing the revisions with FERC prior to the end of September 2017. To see Mr. Nguyen's complete presentation, please go to:

https://www.nyiso.com/secure/webdocs/markets_operations/committees/oc_tpas/meeting_materials/2017-07-21/Queue%20Improvements%20PPT_072117%20Joint%20Meeting_FINAL_Updated%20071817.pdf

FERC Filing

July 19, 2017

NYISO 205 filing to eliminate bond funds from cash collateral investment options and clarify language regarding treatment of defaulting customer funds

July 18, 2017

NYISO compliance filing of notice of effective date for tariff revisions to implement balance-of-period TCC auctions

FERC Orders

July 21, 2017

Errata to the July 20, 2017 order accepting a new rate schedule to the NYISO OATT to establish the Western New York Facilities Charge

July 21, 2017

Errata to the July 20, 2017 order accepting a new rate schedule to the NYISO OATT to establish the Western New York Facilities Charge

July 20, 2017

FERC order accepted the May 19, 2017, as amended on May 22, 2017, NYISO filing on behalf of Niagara Mohawk Power Corporation of a new OATT rate schedule to establish the Western New York Facilities Charge

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Link to FERC Filings and Orders:

http://www.nyiso.com/public/markets_operations/documents/tariffviewer/index.jsp